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April 4, 2011

By E-MAIL

The Honorable Arthur J. Gonzalez
Chief United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green
Chambers Room 528
New York, NY 10004
Attn: Ms. Jacqueline DePierola

Re: Cabrini Medical Center: Reply to the Mannucci
Parties' Objection to the Proposed Order Confirming
First Amended Chapter 11 Plan of Liquidation
Case No. 09-14398 (AIG)

Dear Judge Gonzalez:

As Counsel for the Debtor, Cabrini Medical Center, we submit this reply to the letter addressed to Your Honor from counsel to the Mannucci Parties (defined therein) dated as of April 1, 2011, jointly on behalf of the Debtor; the Missionary Sisters of the Sacred Heart, a not for profit corporation organized under New York law ("MSSH-NY"); the Missionary Sisters of the Sacred Heart, a not for profit corporation organized under Illinois law (collectively, the "MSSH Entities"); and the Creditors' Committee.

We disagree with the characterization by counsel to the Mannucci Parties that this Court "noted several scenarios in which the Mannucci Parties could seek to be made whole in the New York State Action against the Missionary Sisters." Rather, we view Your Honor's

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comments as an attempt to understand the potential scenarios under which a theoretical claim may still lie against MSSH-NY depending upon the different rulings that Your Honor might make with respect to the pending claims objection by Cabrini Medical Center ("Cabrini"). We did not understand Your Honor to make any findings with respect to the validity, prima facie, or otherwise, of such potential claims against MSSH-NY nor whether the Mannucci Parties could or should be "made whole."

We must also object to the Mannucci Parties attempt by letter, rather than through their prior objection or even during our recent argument, to broaden the scope of the carve-out they seek from the plan injunction in order to clear the way for the Mannucci Parties to again sue Cabrini after Confirmation of the Plan. The Mannucci Parties claims are being treated in the pending chapter 11 plan as the bankruptcy code requires. A further action against Cabrini is barred even under the modified version of the Plan Injunction, which the Mannucci Parties put forth in their objections to both the Disclosure Statement and Plan Confirmation. Now the Mannucci Parties modify their request to this Court after the record and hearing on confirmation was closed and attempt to leave open suits not only against MSSH-NY, but also Cabrini.

We respectfully request that Your Honor enter the proposed form of order confirming the Plan with the injunction language which makes clear that direct claims by Mannucci Parties against MSSH-NY, if any, are not impaired by the Plan. The same is consistent with the jurisprudence in this district and well within the Court's jurisdiction.

Respectfully submitted,

TOGUT, SEGAL & SEGAL LLP
By:

/s/ Frank A. Oswald
Frank A. Oswald

FAO/jm

cc: Katherine B. Harrison (by email)
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